

Project Title	2012 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations	Governor's Planning Estimate	
		2012	2014	2016	Total		2014	2016
Local Bridge Replacement Program	1	\$75,000	\$75,000	\$75,000	\$225,000	\$25,000	\$25,000	\$25,000
Greater Minnesota Transit	2	20,685	5,000	5,000	30,685	10,000	10,000	10,000
Local Road Improvement Fund Grants	3	30,000	30,000	30,000	90,000	0	0	0
Highway/Rail Grade Crossing Warning System Replacement	4	5,000	5,000	5,000	15,000	2,500	2,500	2,500
Rochester Maintenance Facility	5	16,100	0	0	16,100	16,100	0	0
Willmar Maintenance Facility	6	7,500	0	0	7,500	7,500	0	0
Plymouth Truck Station	7	5,600	0	0	5,600	5,600	0	0
Cambridge Truck Station	8	3,300	0	0	3,300	3,300	0	0
Design Fees-Crookston, Eden Prairie, Mendota Truck Station	9	1,100	0	0	1,100	1,100	0	0
Rail Service Improvements	10	10,000	10,000	10,000	30,000	0	0	0
Port Development Assistance	11	10,000	10,000	10,000	30,000	3,000	3,000	3,000
High Speed Rail Corridor State Match	12	50,000	50,000	50,000	150,000	0	0	0
Crookston Vehicle Storage		0	0	3,500	3,500	0	0	0
Eden Prairie Truck Station		0	3,600	0	3,600	0	0	0
Mendota Truck Station Addition		0	4,200	0	4,200	0	0	0
Total Project Requests		\$234,285	\$192,800	\$188,500	\$615,585	\$74,100	\$40,500	\$40,500

Agency Profile At A Glance

State Roads Program

- \$1.5 billion was appropriated for the construction program for state fiscal years 2012 and 2013.
- Chapter 152 provided \$1.8 billion in trunk highway bonding for bridge and other highway improvements
- 64.1% of trunk highway principal arterial pavements are estimated in good condition in FY 2010
- Fatalities on state and local roads continue to decline
- In FY 2009, 18.2% of Metro freeways were congested in peak periods
- Snow and ice removal exceeds plowing performance targets

Local Roads Program

- Program support and project delivery services to 147 cities and 87 counties
- Apportion funds to construct and maintain 3,561 miles of state aid streets and 30,546 miles of county state aid highways

Multimodal Systems Program

- In FY 2010, 83% of public airport runways and taxiways were in good or better condition
- The Northstar Commuter Rail project opened in November 2009
- \$3.7 million in rail improvements funded by the ARRA and \$3.5 million in project grants
- \$26 million in bond fund projects identified to match federal passenger rail program funds

Agency Management Program

- Currently developing strategic staffing and workforce development plans.

FY 2012-2013 Budget by Program Direct Appropriations (000s)

State Roads	\$2,732,033
Local Roads	1,416,821
Agency Management	119,670
Multimodal Systems	85,521
Total	\$4,354,045

Agency Purpose

The Minnesota Department of Transportation was created by the state Legislature in 1976. Its role is to develop and implement transportation policies, plans and programs that enhance the quality of life for Minnesota citizens.

Meeting Minnesota's transportation needs, now and in the future, is the top policy goal of the agency. Mn/DOT's work will be guided by the principles of commitment to mission, a focus on customers, simplified government, management for results and improvement by innovation.

Mn/DOT's vision is to be a global leader in transportation, committed to upholding public needs and collaboration with internal and external partners to create a safe, efficient and sustainable transportation system for the future.

Mn/DOT's mission is to provide the highest quality, dependable, multi-modal transportation system through ingenuity, integrity, alliance and accountability.

Mn/DOT's investment objectives are:

- **Preserve Existing Infrastructure** – Preserve the state's assets and implement effective improvements that maintain the roads and bridges on the trunk highway system in a safe and sound condition.
- **Improve Safety** – Implement the Strategic Highway Safety Plan by investing in proactive strategies that reduce transportation-related fatalities and injuries through the use of new and improved technology and safety measures.
- **Improve Mobility** - Engineer solutions that reduce congestion and improve mobility. Expand multimodal transportation to create alternative means of travel.
- **Innovation** – Develop innovative and collaborative partnerships within the transportation community to deliver 21st century transportation solutions.

Strategies

- **Safety** – Promote and maintain a safe, reliable and modern transportation system
- **Mobility** – Improve access and enhance the movement of people and freight

- **Innovation** – Promote a culture of innovation in the organization
- **Leadership** – Become the transportation leader and employer of choice for Minnesota's diverse population
- **Transparency** – Build public trust in Mn/DOT

The Commissioner has committed Mn/DOT to a Complete Street (CS) vision for our trunk highway system. Complete Streets are designed and operated to enable safe access for all users. Pedestrians, bicyclists, motorists and bus riders of all ages and abilities are able to safely move along and across a complete street. The goal of a CS Policy is to develop a balanced system that integrates all modes and users through integrated planning. We have started work on the effort to modify our processes and guidance documents so that projects are developed with an overall Complete Streets vision for the community. An External Advisory Group has been established and met for the first time to advise Mn/DOT in July of 2010.

Operations

State Roads - Mn/DOT constructs, operates and maintains the state trunk highway system that includes nearly 12,000 miles of roads and 4,840 bridges. This system carries about 58% of all travel for the entire 141,000-mile system of state and local roads.

- **State Road Construction** - Manages the development and implementation of the state road construction program and the federal funding programs. This service includes fiscal management of payments to consultants and contractors for road and bridge construction, property owners for right-of-way acquisition, and consultants for advanced design and research contracts. This service also includes financial tracking, regulation and transportation program guidance and analysis.
- **Program Planning & Delivery** - Sets performance goals and policy, develops long-range plans, evaluates transportation investments against specific performance targets, and recommends alternatives for future action. This activity also includes project design and development work ranging from soils testing to traffic forecasts. In addition, it develops and manages a program of transportation research to improve the tools and methods by which transportation improvements are made and implemented.
- **Operations & Maintenance** - Maintains, operates and preserves the state's trunk and interstate highway system including roadways, bridges,

roadsides, safety equipment, traffic control and traffic management devices and the equipment and buildings associated with those tasks.

- **Electronic Communications** - Provides expertise in electronic communication technologies and addresses the specialized transportation and public safety communications needs of state and local agencies.
- **Debt Service** - Provides for the repayment of trunk highway bond debt and debt related to local government advances and Transportation Revolving Loan Fund loans.

Local Roads – Includes the financial resources for county and municipal roads generated by the constitutional funding sources and federal aid funds.

Multimodal Systems – Includes supporting the use and development of cost-effective transportation modes—transit, air, railroads and waterways—owned and operated by local governments and private operators. This includes financial investments, technical assistance and operational reviews.

- **Aeronautics** - Mn/DOT promotes general and commercial aviation throughout the state, and provides services including aircraft registration, airport development, aviation system planning, aviation education, and maintains and operates aviation navigational systems and government aircraft services.
- **Transit** - The transit service helps people and communities in Greater Minnesota meet their mobility needs by supporting safe, responsive, efficient and environmentally sound transit services which safely accommodates bicycles and pedestrians to help everyone move smarter, safer and more efficiently. It provides access to transit for persons who have no alternative mode of transportation available, increases the efficiency and productivity of public transit systems, maintains a state commitment to public transportation, and meets other needs of individual transit systems consistent with the objectives stated in M.S. 174.21. Mn/DOT is also responsible for planning design and construction of commuter rail (M.S.174.82) and working closely with the Metropolitan Council on design and construction of light rail transit (M.S.174.35).
- **Freight** - This service enhances Minnesota's economic competitiveness by improving access to regional, national and global markets through the safe and efficient movement of goods. This activity also advances highway safety by improving and enhancing the safety and security of

commercial transportation operations, and by ensuring compliance with state and federal laws.

- **Passenger Rail** - Provides for improved transportation options for Minnesota residents by the development of an intrastate passenger rail system connecting regional centers and enhances Minnesota's connection to the expanding national passenger rail system. The department is charged with planning, design, development and construction of passenger rail services in M.S. 174.632. The recently adopted Minnesota Statewide Freight and Passenger Rail Plan states that Mn/DOT will lead in the development of passenger rail services and coordinate with Midwest Regional Rail Initiative states in the development of a multi-state passenger rail system in the upper Midwest.

Agency Management – Provides executive leadership, sets policy and determines strategic direction to ensure the Minnesota Department of Transportation provides a coordinated transportation network that is safe, user-friendly and responds to the values of Minnesota's citizens. Agency Management also provides general management and specialized agency services that directs the management and administration of the department's information technology, financial, human and capital resources. It also includes the construction and centrally directed maintenance for all the department's 1,054 buildings.

Funding

Mn/DOT's primary source of financing is the Trunk Highway Fund, which is supported by motor fuel taxes, motor vehicle registration fees, and motor vehicle sales taxes. Other sources include federal funds and state airport funds. Currently less than 1% of the operating budget is from the General Fund.

External Factors

- Minnesota transportation fuel consumption was down 8% in the years 2004-2009. Higher fuel prices, reduced travel and improved fuel efficiency have resulted in a decline in federal and state motor fuel tax revenues.
- The state's transportation infrastructure is aging and in need of significant rehabilitation or reconstruction during the next 20 years. State highway pavement has not met system-wide performance targets since 2002. Other transportation assets--rail lines, ports, etc.--are also in need

of reinvestment to maintain or improve existing service levels. Statewide bridge condition is expected to improve as Mn/DOT completes projects funded through the Chapter 152 bridge program.

- Public demand for an integrated, multimodal transportation system continues to increase due to concerns about health, the environment, energy consumption, economic competitiveness and community livability. New state and federal policy direction calls for greater modal balance and coordination in Mn/DOT policies, plans and programs.
- Oil price fluctuations have contributed to volatility in the costs of construction, which increased dramatically between 2004 and 2008 and then plummeted in 2009 and 2010.
- Federal Surface Transportation Funding for FY 2012 is forecast to remain flat at \$525 million.

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At A Glance: Agency Long-Range Strategic Goals

- Safeguard what exists – operate, maintain, and preserve Minnesota's existing transportation systems and infrastructure.
- Make the transportation network operate better through balanced cost-effective statewide strategies.
- Make the Minnesota Department of Transportation (MnDOT) work better by continuously improving service and efficiency in order to give citizens the best value for their tax dollars.

Trends, Policies and Other Issues Affecting the Demand For Services, Facilities or Capital Programs

Distinct operating units initiated requests for projects in this budget document. The sections of this summary are explained separately by those operating units:

- The Facilities Program addresses all Minnesota Department of Transportation (MnDOT) owned buildings. Generally, building projects included in the capital budget cost \$1 million or more. If projects are less than \$1.5 million, they are included in the biennial operating budget.
- State Aid for Local Transportation (State Aid) addresses the need for general obligation bonds to replace deficient local bridges and to complete local road and bridge projects with statewide or regional significance.
- The Office of Freight and Commercial Vehicle Operations addresses rail service improvement projects and port improvement needs, which are funded from general obligation bonds.
- The Office of Transit is responsible for providing grants for operating and capital assistance to Greater Minnesota public transit systems. Capital assistance for transit facilities is funded from general obligation bonds.
- The Passenger Rail Office provides improved transportation options for Minnesota residents through developing an intrastate passenger rail system that connects regional centers and enhances Minnesota's connection to the expanding national passenger rail system.

Facilities Program

Facilities need to be routinely maintained, repaired, constructed and/or upgraded to provide support for MnDOT. Space is required for vehicle storage and repairs, ancillary equipment, installed facility-supporting equipment, administration, and office space. All facilities must be at correct locations for operations so MnDOT employees can efficiently and promptly respond to highway users' needs. These facilities are constructed to respond to program requirements, new equipment demands or may be regulatory or building code driven.

MnDOT has continually upgraded its fleet and technological capabilities to be more efficient in constructing and maintaining the transportation infrastructure, while providing for the safety of the public and the MnDOT workforce. This policy has impacted the ability to store, maintain, and maneuver the equipment at many truck stations and district headquarters. As an example, trucks have gone from a single axle vehicle that's 33 feet long to a double axle vehicle that is 44 feet long. Other equipment, attachments and technical enhancements also require larger storage capabilities and maneuvering space. Increased use of sophisticated hydraulic systems and computer technology require warm storage for the maximum efficient use and life cycle.

Retaining this large and diverse fleet greatly affects the space and air quality conditions of existing facilities:

- Existing buildings require additional space to accommodate larger vehicles and support spaces
- Diesel engines emit fumes that are difficult to diffuse and require extensive mechanical retrofit.

While MnDOT shifts to larger equipment, building codes and environmental regulations, such as Occupational Safety and Health Administration procedures grow more complicated. Additional facilities systems such as fire sprinklers, Americans with Disabilities Act (ADA) requirements, and asbestos removal requirements, have expanded facility size and complexity. Some of these regulations require a shift from field maintenance positions to design and compliance professional positions, which require additional administrative and support spaces.

State Aid

In 1976, the legislature began a program of state bond funds to replace deficient bridges on the local roads system. It was recognized at that time that the number of aging bridges and the need for replacement was so great that the local agencies needed state assistance in addressing the needs. The number of bridges becoming deficient in Minnesota increases as bridges built after World War II get older. Additionally, the increase in truck weights and the size of farm machinery directly affect the structural and functional condition of bridges.

In 2002, the legislature created a program to assist local agencies with constructing road and bridge projects that are on the local system, and that have statewide or regional significance or are associated with trunk highway corridor improvements. A study completed for the Legislature in January 2002 identified several types of local transportation projects that are of importance to the state, but are beyond the means of local agencies to fund and cannot reasonably be funded by existing state or federal programs.

Local agency transportation projects compete on a statewide basis. Eligibility for funding will consider the significance and benefit of the project as well as the local agency's ability to provide partial funding.

Freight and Commercial Vehicle Operations

The Minnesota Rail Service Improvement (MRSI) Program was created in 1976. The MRSI Program has received General Fund appropriations and general obligation bond appropriations over the life of the program. These funds were granted or loaned to rail users and rail carriers for capital improvements to rehabilitate deteriorating rail lines, improve rail-shipping opportunities and purchase, preserve and maintain abandoned rail corridors for future transportation use.

With the numerous changes in the railroad industry, particularly in the larger railroads, the need for shortline and regional railroads has increased significantly. The influx of mergers has created additional spin-off and abandoned rail lines. This has increased the demand for the MRSI Program. Rural communities in Minnesota depend on reliable rail service. With the entrance of longer and heavier trains, rail shippers must upgrade their rail spurs, storage facilities and loading/unloading facilities to utilize rail as a transportation alternative. Minnesota short lines and regional railroads must

continue to provide reliable and competitive choices for shippers by rehabilitating and improving their rights-of-way and other rail facilities.

The Port Development Assistance Program was created in 1991 (Minnesota Statutes Chapter 457A). The purpose of the program is to provide grants in partnership with local units of government and port authorities for port and terminal improvements for shipping on Minnesota's commercial waterway system. Eligible projects include improvements, repairs and constructing terminal buildings and equipment, railroad and roadway access, dock walls, piers, storage areas and dredging harbor sediment. Project locations must be on navigable portions of the Mississippi, Minnesota or St. Croix rivers or on the North Shore of Lake Superior. Since 1996, \$24 million has been appropriated for the Port Development Assistance Program.

Transit

There is an increasing need and demand in Greater Minnesota for transportation alternatives. Providing the state funding match for transit facilities assists providers in getting the longest possible life from their vehicles. This aligns with MnDOT's strategic objective to preserve the state's transportation assets and corresponds to the measure that seeks to improve the overall condition of the Greater Minnesota public transit fleet.

MnDOT will partner with public transit systems in greater Minnesota to provide efficient and economical facilities and a healthy and safe workplace for employees.

Passenger Rail

The 2009 Minnesota Legislature (Laws of Minnesota, Chapter 93, subdivision 5) appropriated \$26 million in general obligation bonds to implement capital improvements and betterments for intercity passenger rail projects identified in the state wide freight and passenger rail plan. The funds will be used to match federal passenger rail development program funding and capital investments that benefit current/future passenger rail corridors. MnDOT will partner with railroad authorities and other state DOT's to pursue funds for developing intra- and intercity passenger rail corridors.

Long-range strategic plans by program

Facilities Program

Long-range MnDOT goals regarding facilities are to safeguard what exists and make MnDOT work better. To meet those goals, the Facilities Program will provide facilities that meet the following goals and criteria:

- **Functionally and energy efficient:**
 - Foster productivity by allowing employees to safely produce a maximum amount of output with a minimum amount of effort
- **Flexible:**
 - Enable change to the interior organization, to reorganize work systems and processes with minimum cost and disruption.
 - Support the ability to expand the footprint or provide site enhancements with a minimum disruption of existing functions.
- **Perform to standards:**
 - Provide safe, adequately-sized heated storage space for snow and ice removal equipment.
 - Provide adequate training and meeting facilities, lunchrooms and rest rooms for maintenance workers.
- **Require minimum maintenance:**
- **Pleasing to the eye and complement the surrounding environment:**
 - Use creative design elements to economically provide a distinctive and pleasing appearance.
- **Sustainable:**
 - Provide an office environment for employees using the most efficient and safe technology and ergonomics.

State Aid

One of MnDOT's goals is to make the transportation network operate better by maintaining mobility for the traveling public. Bridges are critical links in the transportation network and replacing or rehabilitating those that are deficient will help MnDOT meet the goal of providing mobility for people and goods.

The MnDOT State Aid Division's long range budget plan is to maintain a continuous adequate level of funding for a local bridge replacement program.

Through this, the number of deficient bridges can be reduced and maintained at an acceptable number, even as the number of deficient bridges increases annually.

Freight and Commercial Vehicle Operations

MnDOT's strategic plan reflects a commitment to operate, maintain, and preserve Minnesota's transportation systems and infrastructure. The federal transportation authorization act (SAFETEA-LU) language reinforces that direction by emphasizing the need for states to be more intermodal in their approach to addressing transportation solutions. Railroads and waterways are integral parts of Minnesota's transportation network.

Two of MnDOT's strategic directions are:

- safeguard what exists, and
- make the transportation network operate better.

Continued investment in the MRSI Program and the Port Development Program are critical elements of the transportation investment strategy to accomplish these important MnDOT directions.

Passenger Rail

MnDOT is charged with planning, design, development and construction of passenger rail services in Minnesota (MS 174.632). The recently adopted Minnesota Statewide Freight and Passenger Rail Plan states that MnDOT will lead in the development of passenger rail services and coordinate with Midwest Regional Rail Initiative states for developing of a multi-state passenger rail system in the upper Midwest.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

Facilities Program

MnDOT has 1,054 facilities with approximately 5.5 million square feet at over 300 locations. These facilities include headquarters buildings, truck stations, cold storage, salt storage, rest areas, weight stations and radio/communications sites. Increases in equipment sizes, environmental regulations, building code changes and the lack of adequate administrative space are the primary justifications for recent facility projects. Of the 143

truck stations currently in the MnDOT inventory, 27 are considered functionally inadequate. “Functionally inadequate” means truck bays are too small, mechanical equipment inadequate or buildings have other problems that prevent them from fully carrying out their intended function.

State Aid

As of December 2008, 1,639 of 14,774 bridges on the local road system were either structurally deficient or functionally obsolete. A structurally deficient bridge indicates poor condition of the structural elements of the bridge. A functionally obsolete bridge has such poor geometry, usually a narrow width, that it poses a safety hazard to the motorist.

These roads and bridges are critical links in the state’s transportation system and must be serviceable to move people and goods where needed.

Freight and Commercial Vehicle Operations

Minnesota’s rail and waterway systems are vital elements of the state transportation infrastructure and provide essential services for the competitive movement of bulk products in and out of Minnesota. Preservation and improvement of rail and waterway systems is crucial to the state’s economy.

Some of Minnesota’s shortlines and regional railroads need improvements and rehabilitation to continue providing reliable competitive choices for shippers and efficient movement of goods. Without assistance from the MRSI Program, many of these railroads will deteriorate or be abandoned and shippers forced to either truck all their freight, relocate along a Class 1 railroad, go out of business or leave the state.

Current needs for expensive rail replacement projects to accommodate congestion, heavier rail cars and deteriorating infrastructure, such as bridges, are an enormous burden on Minnesota’s shortline and regional railroads. These railroads need access to low- or no-interest loans to improve or rehabilitate their tracks and continue their economic viability. The MRSI Program was established to meet these needs.

The physical infrastructure of Minnesota’s Mississippi River and Lake Superior ports need rebuilding and updating to keep Minnesota competitive with other waterway states. Some of the projects that need rebuilding are too

large for the local port authorities to finance on their own. The Waterway Transportation System is a low-cost, environmentally-friendly freight mode that will keep Minnesota producers competitive in world markets (i.e. agriculture and taconite industries). Water borne freight transportation helps reduce roadway congestion, especially as our population and freight needs grow.

Aging, extensive use and fluctuating lake and river levels increase the deterioration of dock walls, piers and mooring cells. Without a stable funding program, our ports will continue to deteriorate to a point where it will be more costly later and possibly too late to respond to shippers’ needs.

Transit

Present bus storage and maintenance facilities exhibit a variety of conditions, suitability and functionality. Some Greater Minnesota transit systems are forced to lease space configured for other uses. Others have no option but to park buses outside, even in the winter months. Some communities may receive less competitive bids on contracted transit service because they cannot offer a facility for use by the best bidder. Availability of appropriate space for vehicles and maintenance is important to preserve critical community services.

Funding for facilities has made a significant difference in the ability of transit systems to manage their fleets and provide quality service to Minnesota citizens.

Passenger Rail

The existing freight rail system in Minnesota will serve as the basis for potential passenger rail corridors. There may be new “green field” alignments on some corridors, but the vast majority of passenger rail alignments will use existing track and facilities with necessary signals, switches, sidings, etc., constructed to ensure compatible freight/passenger rail operations.

Agency Process Used to Arrive at These Capital Requests

Facilities Program

Every two years, MnDOT performs a Facility Assessment of all MnDOT facilities. These assessments review nine functional areas, use a weighted scoring system and provide a comprehensive look at the facility condition,

suitability and functionality. MnDOT recently adapted this assessment to provide the Facility Condition Audit information required annually by the Legislature. The Facilities Program now assesses chemical storage structures and is working with the MnDOT Office of Technical Support to develop a baseline assessment of all rest areas, which will include Americans with Disabilities (ADA) Act requirements.

Annually, MnDOT uses the Facility Assessment and district meetings in the building budget process to determine, along with building users and division staff, the deficiencies and needs for immediate and future building space and renewals. Then MnDOT consolidates and prioritizes each assessment by score. The Facilities Program professional staff review the top 10-15 projects for consistency and need, then develop priorities and present them to the Districts for review. Then the commissioner's staff gives concurrence and approval. This process results in a comprehensive eight to 10 year construction plan.

This process also develops annual required maintenance and repair projects. Presently, the plan lists nearly 300 maintenance and repair projects scheduled for completion this year. Also listed are over 50 smaller ongoing projects over the next four biennia that are currently not funded, with an estimated cost of more than \$47 million. The plan also identifies 13 major projects, with an estimated cost of more than \$81 million.

State Aid

A 2000 legislative study to assess the demand for local bridge replacement funds concluded that the continuation of a substantial and regular replacement program is needed. It would address the large bridge reconstruction "wave" created by the increased number and larger deck size of bridges built in the post-World War II era that are beginning to reach the end of their useful life. Capital requests are based on a solicitation for candidate projects from cities and counties.

A 2002 legislative study identified causes for the need for an alternative funding source for local roads and estimated that need to be \$50-100 million per biennium. The 2002 Legislature established the Local Road Improvement Fund for this purpose.

Freight and Commercial Vehicle Operations

The MRSI Program is based on analysis of rail user and rail carrier applications. Those projects that are deemed economically viable and meet the MnDOT criteria established in the rules are funded on a priority basis as funds permit.

The Port Development Assistance Program for Minnesota is based on needs supplied by port authorities on the Mississippi River and Lake Superior and on MnDOT site inspections.

Transit

MnDOT developed a Facility Guidebook to provide a clear, consistent and streamlined process for documenting the need for a new or renovated transit facility and clarify the steps required to request project funding through MnDOT. The Guidebook also established a uniform process for MnDOT to use when evaluating funding requests.

Greater Minnesota transit systems annually submit facility applications to MnDOT. All projects that are determined to be program eligible and fiscally viable are allowed into the MnDOT approved 10-year capital plans and are a part of the annual review for funding. Using the process outlined in the Facility Guidebook, MnDOT determines the cost effectiveness of each proposal and determines whether or not the project is viable. The projects that are determined to be viable are then ranked and the highest ranked projects receive funding.

Passenger Rail

Specific assessment of existing infrastructure and future capital needs will be determined on a corridor by corridor basis in partnership with the freight railroads as the implementation of the state rail plan occurs.

Major Capital Projects Authorized in 2010 and 2011

Facilities Program

The 2010 legislature authorized \$26.43 million for the Rochester Maintenance Facility using Trunk Highway bonds. Trunk Highway fund cash was used to fund the following projects: \$15.8 million for the Maple Grove Truck Station, \$3.3 million for the Little Falls Truck Station, \$3 million for the Maplewood Bridge Crew building, and \$700,000 for design fees for the Willmar district storage facility and the new Plymouth Truck Station.

State Aid

In 2010, the Legislature appropriated \$66 million for local bridge replacement and rehabilitation. In 2011, the legislature appropriated \$33 million for local bridge replacement and rehabilitation and \$10 million for Local Road Improvement Fund Grants.

Transit

In 2011, the legislature appropriated \$2.5 million for Greater Minnesota Transit for capital assistance for publicly owned greater Minnesota transit systems.

Freight and Commercial Vehicle Operations

The 2010 Legislature appropriated \$2 million to the rail service improvement program, \$5 million for a grant to the Minnesota Valley Regional Rail Authority, \$1 million to the Northstar Commuter Rail Extension to St. Cloud and \$2.5 million to replace railroad grade warning devices. The 2011 legislature appropriated \$3 million for Railroad Warning Device Replacement, \$3 million for Port Development Assistance and \$700,000 for a grant to St. Louis Park for rail service improvements.

Aeronautics

The 2010 Legislature appropriated \$11.7 million for a grant to the city of Duluth for new terminal facilities at the Duluth International Airport and \$2.097 million for a grant to the city of Thief River Falls to equip a multipurpose hangar at the Thief River Falls Regional Airport. The 2011 legislature appropriated \$3.7 million for capital assistance grants to rehabilitate and modernize deteriorated runway pavement at publicly owned airports.

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Local Bridge Replacement Program

2012 STATE APPROPRIATION REQUEST: \$75,000,000

AGENCY PROJECT PRIORITY: 1 of 12

PROJECT LOCATION: Statewide

Project At A Glance

- \$75 million request
- There are 960 deficient local bridges that need maintenance; this request would provide funding for approximately 82 bridges.
- Bridge projects requested in 87 counties and cities across the state will be supplemented with \$150 million of federal bridge replacement funds, state-aid funds, and local funds.

Project Description

This request for \$75 million in state funds is to replace or rehabilitate deficient bridges owned by local governments throughout the state.

One of the Minnesota Department of Transportation (MnDOT) priorities is to maintain and preserve Minnesota's existing transportation systems and infrastructure. Bridges are critical links in the transportation system. State financial assistance to local units of government is necessary because many structures are too costly to be replaced or rehabilitated with local funds alone. M.S. Sec. 174.50, subd. 6c allows funds to be spent for replacement or rehabilitation of a fracture-critical bridge.

State bridge replacement funds are used in two ways. The first way is to leverage or supplement other types of bridge replacement funding such as federal-aid, state-aid, and township bridge funds.

Federal-aid funds provide up to 80 percent of the bridge funding for eligible projects with the local governments responsible for providing the matching funds. Projects chosen for federal aid are typically larger, more expensive

projects, and even a 20 percent match is a significant cost for a local agency to bear. These funds provide the match.

On the state-aid system, these funds are used to share in the cost of bridge replacement. The high cost of bridges often makes it impractical to fund them completely with state-aid funds, and so these funds are used as a supplement. The cost split is usually 50/50.

On the township system, these funds are only used when a county has depleted its town bridge account. In those cases, these funds are used for 100 percent of the eligible construction costs.

The second way these funds are used is to provide funds for bridges that have no other source of federal-aid or state-aid funds. Bridges on the county road and city street systems are not eligible for state-aid or township bridge funds. Bridges less than 20 feet long are not eligible for federal aid, and there are not sufficient federal-aid funds to replace all the bridges that are eligible. These funds are used for 100 percent of the eligible construction costs for county road and city street bridges.

Local government units share in the project by assuming all costs for design and construction engineering, right of way, bridge removal, and items not directly attributable to the bridge, such as approach grading and roadway surfacing costs. Whenever a bridge is replaced, it is required that the approach roadway meet current standards. The state-aid variance process is available when approach costs become unreasonable.

Other alternatives to replacing a bridge are always considered before funds are approved. Alternatives such as consolidating routes to eliminate a crossing, building a road in lieu of a bridge, and abandoning the road are common. Funds are made available, up to the cost of the equivalent replacement bridge, to make these alternative improvements practical and to remove a structure permanently from the bridge inventory.

In order to promote innovation and accelerated bridge construction (ABC) on the local system, \$5 million of the bridge bonds will be set aside. Benefits of ABC may include reduction of construction time, enhance constructability, and reduction of environmental impacts, minimized traffic disruption, and improved quality and life cycle costs. Elements and methods of ABC may

Local Bridge Replacement Program

include precast concrete elements, modular construction, structure placement methods, and innovative contracting.

The January 2000 Legislative Study of State Bridge Grant Funding for Local Bridges states that this impending wave means the state will need to implement a continuous local bridge funding program to maintain the rate of progress in the reduction of deficient local bridges. Furthermore, the demand for resources to replace and repair deficient local bridges will increase significantly due to wave of aging bridges combined with the large deck sizes of the newer bridges.

Impact On Agency Operating Budgets (Facilities Note)

Administration of this program through the State Aid for Local Transportation Division will be completed using the existing organization and infrastructure and within existing budgets.

Previous Appropriations for this Project

The 2011 bonding bill appropriated \$33 million, 2010 bonding bill appropriated \$66.0 million, and 2008 bonding bill appropriated \$50 million for this program. In the 2008 bonding bill, \$50 million was appropriated for the statewide bridge replacement program and funded the replacement of 132 bridges. From the 2010 bond funds, to date, we have funded 131 bridge projects, not including the \$16 million of the \$66 earmarked to 3 projects identified in Fergus Falls, Hennepin County, and Minneapolis. The \$33 million recently approved in the 2011 bonding bill program is projected to result in the replacement, rehabilitation, or removal of approximately 100 additional bridges.

Funding for the program was first provided in 1976. In 1977, Minnesota had 4,856 deficient bridges on the local road systems. Minnesota's bridges are aging and each year more become structurally deficient or functionally obsolete due to deterioration and increased traffic. As of December 2008, there were 1,800 deficient county, city, and township bridges in Minnesota.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of \$25 million for this request. Also included are budget planning estimates of \$25 million in 2014 and 2016.

Transportation, Department of
Local Bridge Replacement Program

Project Detail
(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	316,000	75,000	75,000	75,000	541,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	316,000	75,000	75,000	75,000	541,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O. Bonds/Transp	316,000	75,000	75,000	75,000	541,000
State Funds Subtotal	316,000	75,000	75,000	75,000	541,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	316,000	75,000	75,000	75,000	541,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	75,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

2012 STATE APPROPRIATION REQUEST: \$20,685,000

AGENCY PROJECT PRIORITY: 2 of 12

PROJECT LOCATION: Greater Minnesota

Project At A Glance

The capital budget request for Greater Minnesota transit consists of the following in priority order:

- Funding to remodel the former MnDOT district office in Mankato into a bus maintenance and storage facility (\$3.2 million)
- Remaining funding necessary to construct a multimodal transportation terminal in Duluth (\$16.228 million)
- Construction of an operations center office and additional vehicle storage in St. Cloud (\$1,256,960)

Project Description

The following describes four (4) Greater Minnesota Transit Projects for which bonding is requested during the 2012 session. At the end of this narrative there is a brief overview of four (4) potential projects for future bonding requests.

In the first priority project, the City of Mankato intends to move its Department of Public Works, including the transit function, to the former MnDOT building at 501 South Victory Drive. This funding will be used to remodel a portion of the facility for the transit system including bus garage, maintenance area, wash facility and office space. This includes constructing a 25,400 square foot facility to house the transit fleet of 19 vehicles. In addition, Transit will require a new automatic vehicle wash facility, two manual wash bays, an office remodel, a maintenance pit for buses, a connecting building between the wash facility and garage, an extension of water and sewer service and replacement of cold storage building. The total of cost of the transit portion of the project is estimated at \$6.5 million.

Previously approved bonding and local match provided \$2.5 million leaving a need for approximately \$4 million, with local share at 20%, or \$800,000, and SFY 2013 state bond request at 80%, or \$3.2 million.

The preferred location for the second priority project, a multimodal transit terminal, is across South 5th Avenue from the Duluth Depot, which will also serve as the terminus for the Northern Lights Express passenger rail service from Minneapolis to Duluth. The proposed terminal will connect to the existing downtown sky walk and serve as a hub for intercity bus service. The terminal will offer connections between rail, cars, bikes, pedestrian routes and transit. Total cost of the project is estimated at \$40.285 million. A previously secured federal grant and local match covered \$20 million leaving a need for \$20.285 million. This request is for 80%, or \$16.228 million, with local funds expected to cover the remaining \$4.057 million.

The third priority project is construction of an operations center office and additional vehicle storage in St. Cloud. Service provided by St. Cloud Metro Bus has grown and their fleet exceeds the size of their existing facility. This request is for \$1,256,960 of this \$1,571,200 project with the remaining \$314,240 provided locally.

Impact on Agency Operating Budgets (Facilities Notes)

The proposed projects have no effect on state operating budgets.

Previous Appropriations for this Project

State bonding appropriations were made in:

2006 - \$2,000,000

2008 - \$1,000,000

2011 - \$2,500,000

Other Considerations

These projects protect and maintain assets (buses) used in the delivery of transit services to the citizens of Minnesota. Storing buses indoors maximizes their service life and makes pre- and post-trip inspection more comfortable and thorough.

Greater Minnesota Transit

The facilities will be built using current design and construction techniques to provide energy efficient, functionally proficient, and economical facility to support productive, healthy, and safe working environments for employees.

Four known potential future projects valued at approximately \$3.15 million that will be reviewed by MnDOT's Office of Transit in late 2011 are as follows:

- Kandiyohi Area Transit in Willmar, MN – Garage Improvements \$100,000
- Rainbow Rider in Lowry, MN – Garage Improvements \$300,000
- RiverRider Transit in Elk River, MN – Garage and Administrative Transit Facility \$1.5 million
- St. Cloud Metro Bus in St. Cloud, MN – Administrative and Training Center \$1.250 million

Other potential future projects will also be submitted as part of the Greater Minnesota public transit grant applications for calendar year 2012 and be reviewed by MnDOT's Office of Transit for possible inclusion in future bonding requests.

Estimated future Greater Minnesota Transit bonding requests for 2014 and 2016 will be approximately \$5 million each biennium plus unfunded remainders of projects listed in this 2012 request.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of \$10 million for the Mankato, Duluth and St. Cloud projects. Also included are budget planning estimates of \$10 million in 2014 and 2016.

Transportation, Department of
Greater Minnesota Transit

Project Detail
 (\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	1,500	6,800	0	0	8,300
2. Predesign Fees	147	51	0	0	198
3. Design Fees	1,481	2,050	0	0	3,531
4. Project Management	237	500	0	0	737
5. Construction Costs	16,553	36,348	5,000	5,000	62,901
6. One Percent for Art	60	224	0	0	284
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	503	647	0	0	1,150
9. Inflation	0	839	0	0	839
TOTAL	20,481	47,459	5,000	5,000	77,940

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	5,500	20,685	5,000	5,000	36,185
State Funds Subtotal	5,500	20,685	5,000	5,000	36,185
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	15,702	0	0	15,702
Local Government Funds	3,396	11,072	0	0	14,468
Private Funds	0	0	0	0	0
Other	11,585	0	0	0	11,585
TOTAL	20,481	47,459	5,000	5,000	77,940

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	20,685	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Local Road Improvement Fund Grants

2012 STATE APPROPRIATION REQUEST: \$30,000,000

AGENCY PROJECT PRIORITY: 3 of 12

PROJECT LOCATION: Statewide

Project At A Glance

- To provide \$15 million to assist counties with Rural Road Safety Projects to reduce traffic crashes, deaths, injuries, and property damage. These projects cannot be funded with existing funds.
- To provide \$15 million to assist cities, counties or townships with local road projects with statewide or regional significance and reduce traffic crashes, deaths, injuries, and property damage. These projects cannot be funded with existing funds.

Project Description

This request will provide funding assistance to local agencies for construction, reconstruction, or reconditioning projects on local roads with statewide or regional significance, and projects on county state aid highways.

Local roads provide critical connections to the states' interregional corridors and other trunk highways from towns, shipping points, industries, farms, recreational areas, and other markets. A well-developed local system is vital to any solution for reducing congestion on trunk highways.

A study of local road funding conducted for the legislature in January 2002 found a large and growing need for transportation system improvements. Existing funding mechanisms are limited in handling many of the situations and types of projects identified as important to the state.

State assistance is needed to supplement local effort and the highway user tax distribution fund in financing capital improvements to preserve and develop a balanced transportation system throughout the state. In 2002, the legislature created the Local Road Improvement Program (M.S. Sec. 174.52). The fund for this program has three accounts:

- The Trunk Highway Corridor Projects Account provides funding assistance to local agencies with the local share of costs of improving trunk highways through their communities.
- The Local Road Account for Routes of Regional Significance provides funding assistance to local agency road projects that are significant to the state or region. Such projects may support economic development, provide capacity or congestion relief, provide connections to interregional corridors or other major highways, or eliminate hazards.
- The Local Road Account for Rural Road Safety provides funding for projects on county state-aid highways intended to reduce traffic crashes, deaths, injuries, and property damage.

Impact on Agency Operating Budgets (Facilities Note)

Administration of this program will be funded with existing budgets.

Previous Appropriations for this Project

The 2008 bonding bill provided \$10 million for the Rural Road Safety account. These funds were distributed to counties for 67 safety projects. The 2011 bonding bill provided \$10 million.

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

Transportation, Department of
Local Road Improvement Fund Grants

Project Detail
 (\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	45,988	30,000	30,000	30,000	135,988
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	45,988	30,000	30,000	30,000	135,988

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O. Bonds/Transp	45,988	30,000	30,000	30,000	135,988
State Funds Subtotal	45,988	30,000	30,000	30,000	135,988
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	45,988	30,000	30,000	30,000	135,988

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	30,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Highway/Rail Grade Crossing Warning System Replacement

2012 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 4 of 12

PROJECT LOCATION: Statewide

Project At A Glance

Replace approximately 18-20 aging highway/rail grade crossing safety gate and signal warning systems.

Project Description

Approximately 18-20 of the oldest systems in the state will be replaced at a cost of approximately \$275,000 per location.

Impact on Agency Operating Budgets (Facilities Notes)

The funding of this program will have no impact on department operating budgets.

Previous Appropriations for this Project

The 2011 Legislature provided \$3 million and the 2010 Legislature provided \$1.6 million in bonding for replacement of aging grade crossing safety warning devices. MnDOT uses federal funds for the installation of new (not replacement) systems at hazardous locations.

Other Considerations

A portion of bond proceeds for this activity may be used for consultant project management assistance.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of \$2.5 million for this request. Also included are budget planning estimates of \$2.5 million in 2014 and 2016.

Transportation, Department of	Project Detail
Highway/Rail Grade Crossing Warning System Replacement	(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	5,500	5,000	5,000	5,000	20,500
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	5,500	5,000	5,000	5,000	20,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	4,600	5,000	5,000	5,000	19,600
Bond Proceeds Grants	900	0	0	0	900
State Funds Subtotal	5,500	5,000	5,000	5,000	20,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	5,500	5,000	5,000	5,000	20,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Rochester Maintenance Facility

2012 STATE APPROPRIATION REQUEST: \$16,100,000

AGENCY PROJECT PRIORITY: 5 of 12

PROJECT LOCATION: Rochester

Project At A Glance

- Phase II of the Rochester Maintenance Facility & District Headquarters Remodeling project consists of the renovation of approximately 94,000 square feet of an existing district headquarters building for the Minnesota Department of Transportation, including office and conference space, materials lab. The building will also house Driver and Vehicle Services and the Minnesota State Patrol.
- Phase II will complete improvements of the District 6 headquarters building. Phase I, construction of a new maintenance facility and outbuildings, is currently under construction.

Project Description

This phase is expected to cost \$16.1 million. The existing basement and first level will be renovated to provide office space for the District Management Team, the business office and a conference center. Driver and Vehicle Services will occupy the existing materials laboratory space as a tenant to MnDOT. The Minnesota State Patrol will continue to occupy space in the remodeled building. The existing vehicle maintenance shop will be remodeled to provide two floors of office space for MnDOT program delivery and construction personnel.

A new materials laboratory will be built in part of the vehicle storage area soon to be vacated by road maintenance. This will separate the incompatible functions of general offices and workstations from the loud and odorous activities occurring in the materials lab and allow for a much needed expansion of the materials lab to accommodate its large workload.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase in the new facility. Current staff will reoccupy the facility after renovations are complete.

Previous Appropriations for this Project

\$1.5 million was appropriated in 2008 for Schematic Design of this remodeling project; the Schematic Design, Design Development and Construction Document Phases of the new maintenance facility were also included in the appropriation.

\$26.43 million was appropriated in 2010 for site preparation and construction of the new maintenance facility, an unheated storage building, salt storage building, brine manufacturing and storage building, fueling station, and covered bin storage.

Other Considerations

MnDOT will be providing an energy efficient, functional, and economical facility to support a productive, healthy, and safe working environment for employees.

The remodeled facility will alleviate operational inefficiencies caused by an outdated office arrangement and insufficient lab space.

The majority of existing plant equipment (boilers, air handlers, etc.) is near or beyond its useful life expectancy, resulting in increased maintenance and inefficient operations. Significant investment is required to maintain operability of obsolete equipment.

Design and construction efforts have been phased to enable MnDOT to operate continuously at the Rochester site throughout the construction period.

Rochester Maintenance Facility**Project Contact Person**

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Governor's Recommendations

The Governor recommends trunk highway bonding of \$16.1 million for this request.

Transportation, Department of
Rochester Maintenance Facility

Project Detail
(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	1,500	1,000	0	0	2,500
4. Project Management	0	0	0	0	0
5. Construction Costs	26,430	15,100	0	0	41,530
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	27,930	16,100	0	0	44,030

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
Trunk Highway Bond Proc	27,930	16,100	0	0	44,030
State Funds Subtotal	27,930	16,100	0	0	44,030
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	27,930	16,100	0	0	44,030

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Willmar Maintenance Facility

2012 STATE APPROPRIATION REQUEST: \$7,500,000

AGENCY PROJECT PRIORITY: 6 of 12

PROJECT LOCATION:

Project At A Glance

- Construction of a 32,200 square foot addition to the existing Willmar District Headquarters Building
- Additional vehicle storage
- New truck wash
- Enlarged and improved inventory area and radio shop
- New training room

Project Description

A 32,200 square foot addition will be added to the north side of the building. The new addition will provide a vehicle storage area of approximately 22,800 square feet, and a 3,900 square foot truck wash bay. The project budget includes construction costs, fees, and new furnishings and equipment as needed to operate the facility.

The addition will also include an office area of approximately 5,000 square feet to accommodate relocated private and open offices for the highway maintenance supervisor, the radio shop and building maintenance staff.

A new training room, sized to accommodate as many as 100 people, will be developed within the existing building or in an addition.

The existing heated vehicle storage will be converted to parking for fleet and sign shop vehicles. The existing inventory storage will also be relocated into this area to improve access for shipping and receiving.

The space in the existing building vacated by relocated departments will be redesigned to provide additional office and support areas.

Site work to accommodate the building addition, parking and circulation, and revised drainage and utility locations will be required.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase modestly in the new facility. Current staff will be relocated during the construction phase and return to this facility when it is completed.

Previous Appropriations for this Project

\$320,000 was appropriated in 2010 for schematic design, design development and construction documents. This work is currently underway.

Other Considerations

MnDOT will be updating a serviceable existing building to provide an efficient environment for staff and material handling and a healthy and safe workplace for employees.

The existing vehicle storage was constructed in 1980 and is undersized to house modern maintenance equipment. This project would allow additional heavy equipment to be stored and maintained in an enclosed facility. Addition of the Truck Wash Bay will help protect equipment from deterioration from salt exposure.

Enhanced equipment maintenance will assist MnDOT to provide better customer service and will prolong the life of taxpayer-supported equipment.

Project Contact Person

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Governor's Recommendations

The Governor recommends a trunk highway fund appropriation of \$7.5 million for this request.

Transportation, Department of
Willmar Maintenance Facility

Project Detail
(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	320	0	0	0	320
4. Project Management	0	80	0	0	80
5. Construction Costs	0	7,420	0	0	7,420
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	320	7,500	0	0	7,820

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
Trunk Highway Fund	320	7,500	0	0	7,820
State Funds Subtotal	320	7,500	0	0	7,820
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	320	7,500	0	0	7,820

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Plymouth Truck Station

2012 STATE APPROPRIATION REQUEST: \$5,600,000

AGENCY PROJECT PRIORITY: 7 of 12

PROJECT LOCATION:

Project At A Glance

- Construction of a new Plymouth Truck Station
- The approximately 25,000 square foot truck station facility will contain vehicle storage, offices, crew facilities, inventory center, and truck wash space.
- The project will replace an existing building constructed in the 1960s.

Project Description

The project will consist of new construction of a 25,000 to 30,000 square foot truck station and vehicle maintenance facility with offices, heated vehicle storage, truck wash and employee support areas.

The Project will include improvements to site circulation in order to accommodate the new building, an existing salt storage building and an existing unheated storage building. The existing fuel dispensing station will remain in operation at its current location; new utility connections to the truck station building will be installed as part of this project.

MnDOT will design and build a larger facility, to current building codes and environmental regulations, capable of supporting and delivering the services required in the Plymouth area.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase modestly in the new facility. Current staff will be relocated during the construction phase and return to this facility when it is completed.

Previous Appropriations for this Project

\$380,000 was appropriated in 2010 for Schematic Design, Design Development and Construction Documents. This work is currently underway.

Other Considerations

The existing Plymouth Truck Station includes both truck station employees and one of the six bridge crews in the Twin Cities metropolitan area. The facility is not sized for current operations and is functionally obsolete.

Construction of a new truck station will improve site operations, field operations, deployments, provide opportunity for a potential partnership with the City of Plymouth (city facility is located immediately adjacent to the truck station site), and operational improvements with regard to materials and fleet management.

Project Contact Person

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Governor's Recommendations

The Governor recommends a trunk highway fund appropriation of \$5.6 million for this request.

Transportation, Department of
Plymouth Truck Station

Project Detail
 (\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	380	0	0	0	380
4. Project Management	0	100	0	0	100
5. Construction Costs	0	5,500	0	0	5,500
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	380	5,600	0	0	5,980

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
Trunk Highway Fund	380	5,600	0	0	5,980
State Funds Subtotal	380	5,600	0	0	5,980
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	380	5,600	0	0	5,980

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Cambridge Truck Station

2012 STATE APPROPRIATION REQUEST: \$3,300,000

AGENCY PROJECT PRIORITY: 8 of 12

PROJECT LOCATION:

Project At A Glance

- Design and Construction of a new Cambridge Truck Station
- The approximately 12,000 square foot truck station facility will contain offices, shops, vehicle support, inventory space, storage spaces, and mechanic's work bays.
- Additional site improvements include a salt storage shelter, brine production building, and an unheated storage building.
- Located in the city of Cambridge, the site has already been acquired by MnDOT.
- Existing MnDOT facility will be disposed of following appropriate regulations.

Project Description

The project will consist of new construction of a 12,000 square foot truck station and vehicle maintenance facility with offices, mechanic's work bays, heated vehicle storage, employee support areas, and required new furniture. The site will also include an unheated storage building, a salt storage building, and brine production and storage.

The Minnesota Department of Transportation plans to build the new Cambridge truck station on an existing 7.8 acre undeveloped site in the Cambridge Industrial Park. This site will afford efficient access to US Hwy 65 and Mn Hwy 95.

MnDOT will design and build a larger facility, to current building codes and environmental regulations, capable of supporting and delivering the expanding services required in the Cambridge area.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase modestly in the new facility. Current staff will be shifted from the existing Cambridge location to this facility.

Previous Appropriations for this Project

7.8 acre site purchased in 2009.

Other Considerations

Increasing traveler needs, metropolitan commuters on State Highway 65, the need to support MnDOT's long-range strategic goals of upgrading regional corridors, and the desire to provide a quality facility.

MnDOT will provide better customer service through enhanced equipment availability and by prolonging the life cycle of taxpayer supported equipment.

MnDOT will be providing an efficient and economical facility with geothermal heating, and a healthy and safe workplace for employees.

The current MnDOT Cambridge facility is located in the center of the city and adjoins commercial and residential property. Plow truck access is through a residential area; the city of Cambridge is anxious to acquire the existing site for commercial development.

The existing site is just two (2) acres in area, with limited on storage space for trucks and no opportunity for expansion; the need for leased storage space is inevitable in the near future.

Cambridge Truck Station**Project Contact Person**

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Governor's Recommendations

The Governor recommends a trunk highway fund appropriation of \$3.3 million for this request.

Transportation, Department of
Cambridge Truck Station

Project Detail
 (\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	150	0	0	150
4. Project Management	0	0	0	0	0
5. Construction Costs	0	50	0	0	50
6. One Percent for Art	0	3,100	0	0	3,100
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	3,300	0	0	3,300

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
Trunk Highway Fund	0	3,300	0	0	3,300
State Funds Subtotal	0	3,300	0	0	3,300
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	3,300	0	0	3,300

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Design Fees-Crookston, Eden Prairie, Mendota Truck Station

2012 STATE APPROPRIATION REQUEST: \$1,100,000

AGENCY PROJECT PRIORITY: 9 of 12

PROJECT LOCATION: Crookston, Eden Prairie, Mendota

Project At A Glance

- Request is \$1.1 million for three projects
- Investigative, schematic, design development, and construction document design services for a new warm storage addition to the Crookston Headquarters building; value of services is \$300,000.
- Investigative, schematic, design development, and construction document design services for a new warm storage addition to the Eden Prairie Truck Station; value of services is \$400,000.
- Investigative, schematic, design development, and construction document design services for a new warm storage addition to the Mendota Truck Station; value of services is \$400,000.

Project Description

MnDOT facilities must routinely be assessed, replaced and/or upgraded to provide support for the MnDOT mission. Planning, design, and documentation for these facilities must to be initiated now in order to meet MnDOT's six year construction schedule. This request is to provide funding for:

Addition to Crookston HQ:

This project includes the investigative portion, schematic design, design development, and construction documentation for design of a warm storage addition to the Crookston Headquarters building. Investigative portion may include researching such items as soil composition, environmental issues, suitable building materials, and use of renewable energy sources. This will be an addition to an existing building.

Addition to Eden Prairie Truck Station:

This project includes the investigative portion, schematic design, design development, and construction documentation for design of a warm storage addition to the Eden Prairie Truck Station. Investigative portion may include researching such items as soil composition, environmental issues, suitable building materials, and use of renewable energy sources. This will be an addition to an existing building.

Addition to Mendota Truck Station:

This project includes the investigative portion, schematic design, design development, and construction documentation for design of a warm storage addition to the Mendota Truck Station. Investigative portion may include researching such items as soil composition, environmental issues, suitable building materials, and use of renewable energy sources. This will be an addition to an existing building.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase modestly in the new facilities. Current staff will be relocated during the construction phase and return to these facilities when it is completed.

Previous Appropriations for this Project

No funds to date have been appropriated for the project.

Other Considerations

MnDOT will provide better customer service through enhanced equipment availability and by prolonging the life cycle of taxpayer supported equipment.

MnDOT will be providing efficient and economical facilities with geothermal heating and a healthy and safe workplace for employees.

Design Fees-Crookston, Eden Prairie, Mendota Truck Station**Project Contact Person**

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Governor's Recommendations

The Governor recommends trunk highway fund appropriation of \$1.1 million for this request.

Transportation, Department of

Design Fees-Crookston, Eden Prairie, Mendota Truck Station

Project Detail

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	1,100	0	0	1,100
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,100	0	0	1,100

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
Trunk Highway Fund	0	1,100	0	0	1,100
State Funds Subtotal	0	1,100	0	0	1,100
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,100	0	0	1,100

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Rail Service Improvements

2012 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 10 of 12

PROJECT LOCATION: Statewide

Project At A Glance

- Preserves and improves rail-shipping opportunities in Minnesota to achieve a modally balanced freight transportation system and provide access to markets
- Serves the freight community in Minnesota in support of statewide economic development
- Provides long-term no-interest loans to regional railroad authorities, railroads, and shippers to improve rail facilities and increase railroad shipping

Project Description

The Minnesota Rail Service Improvement (MRSI) Program seeks to preserve and enhance rail service in the state. MRSI assists rail users (shippers) and rail carriers (the railroads) with infrastructure improvements, as well as preservation of rail corridors through land banking.

Minnesota's short line and regional railroads provide a critical function in the rail network. They provide important freight connections between communities and national and international markets served by the Class 1 railroads. Many of the smaller railroads in Minnesota are in need of capital improvements and rehabilitation to be able to operate safely and reliably. In addition, businesses that wish to ship or receive goods by rail must have adequate rail infrastructure, such as rail spurs, sidings and loading equipment. The MRSI Program assists with such needs.

The MRSI Program includes three primary elements: the Capital Improvement Loan Program, the Rail Line Rehabilitation Program and the Rail Bank Program.

Capital Improvement Loan Program:

Both railroads and shippers are eligible to receive interest-free loans for capital improvements. Typical projects include upgrading small segments of rail lines, construction and extension of rail spurs, bridge replacement or upgrade, and development of loading or unloading facilities. Recipients must meet criteria to protect the investment of Minnesota taxpayers.

Rail Line Rehabilitation Program:

The Rail Line Rehabilitation Program is a partnership program with a rail authority, rail shippers, and the Minnesota Department of Transportation (MnDOT). This program loans money to rail authorities to rehabilitate operating, but deteriorating, rail lines. The program requires shipper financial participation and projects must meet criteria to protect the investment of Minnesota's taxpayers. Rehabilitation loans have included 29 state-funded rehabilitation projects.

Rail Bank Program:

The Rail Bank Program acquires and preserves abandoned rail lines and right-of-way for future transportation use. Once acquired, MnDOT has a financial responsibility to maintain abandoned railroad property placed in the Rail Bank Program.

The MRSI Program was created in 1976 and funding was first authorized in the form of general fund appropriations. In 1982, a Constitutional Amendment allowed for general obligation bonds to be used for the MRSI Program (Minn. Constitution, Art. 11, sec. 5(i)), in addition to any general fund appropriations. Total state appropriations, combined with federal grants and funding from railroads, shippers, and local units of government, together with loan repayment proceeds, have driven rail investments exceeding \$144.5 million.

Solicitations for loans are issued on a regular basis and applications taken. Regional and statewide freight studies, as well as the State Rail Plan, identify needs that may be addressed by the MRSI Program.

Rail Service Improvements
Impact on Agency Operating Budgets (Facilities Notes)

This is a loan program. There is no impact on state operating budgets.

Previous Appropriations for this Project

The Minnesota Legislature has appropriated the following for the MRSI program:

1976	\$3.0 million general fund
1977	\$3.0 million general fund
1979	\$3.0 million general fund
1980	\$13.5 million general obligation bonds
1981	\$1.0 million general fund
1984	\$12.0 million general obligation bonds
2001	\$5.0 million general fund
2002	\$1.0 million general fund
2004	\$3.2 million cancelled back to general fund
2005	\$3.2 million cancelled back to general fund
2006	\$1.5 million general fund
2007	\$2.0 million general fund
2008	\$3.0 million cancelled back to general fund
2009	\$3.0 million cancelled back to general fund
2010	\$2.0 million
2011	\$0.7 million general obligation bonds

Total state appropriations to date are \$47.7 million; cancellations have totaled \$12.4 million.

Direct project level appropriations (both state bonding and federal assistance) are also administered through the program.

Other Considerations

None.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

Transportation, Department of

Rail Service Improvements

Project Detail
(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	47,700	10,000	10,000	10,000	77,700
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	47,700	10,000	10,000	10,000	77,700

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,700	10,000	10,000	10,000	32,700
General	45,000	0	0	0	45,000
State Funds Subtotal	47,700	10,000	10,000	10,000	77,700
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	47,700	10,000	10,000	10,000	77,700

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	10,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Port Development Assistance
2012 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 11 of 12

PROJECT LOCATION: Multiple Locations

Project At A Glance

- The Minnesota Port Development Assistance Program supports infrastructure needs of Minnesota's public ports on the Great Lakes and Inland River Navigation Systems.
- Partnership program to improve freight handling efficiency on Minnesota's commercial waterway systems, with typically 80 percent state grants and 20 percent local share.

Project Description

The purpose of the Port Development Assistance Program is to expedite the movement of commodities and passengers on the commercial navigation system; enhance the commercial vessel construction and repair industry in Minnesota; and promote economic development in and around ports and harbors in the state. (Source M.S. Sec. 457A.2).

The bond request will be used to complete \$10 million of the listed project proposals. Project proposals are prioritized based on need, employment generated and overall economic benefit. MnDOT's Office of Freight and Commercial Vehicle Operations, working with the state's port authorities, have identified a list of potential terminal improvement projects for 2012 and beyond:

<i>Red Wing Port Authority</i>	
Bulkhead Wall Rehabilitation	\$300,000

<i>St Paul Port Authority</i>	
BT # 1—Rehab Port Authority Buildings	\$3,000,000
Storm Water Management	1,000,000
Replace Railroad Crossing	100,000
Red Rock & Southport	
Rehab dock walls at both locations	2,000,000

<i>Winona</i>	
Salt Storage Warehouse	1,000,000

<i>Duluth Seaway Port Authority</i>	
Replace dock timbers at berths 4, 5, 6 and 7	\$500,000
Transit Shed	
Modernize electric service to code	250,000
Replace or update fork lifts	250,000
Repave storage yard/access roadways	750,000
Construct Security Guard Houses	50,000
East Warehouse Building	
Construct 100,000 sq ft warehouse	6,000,000
Maintenance Building 51	
Rehabilitate roof	50,000
Garfield Dock C and D	22,500,000

Total all Port needs	\$37,750,000
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Impact on Agency Operating Budgets (Facilities Notes)

The funding of this program will have no impact on department operating budgets.

Port Development Assistance**Previous Appropriations for this Project**

The Minnesota Legislature has previously appropriated the following:

1996	\$3.0 million general obligation bonds
1998	\$3.0 million general obligation bonds
1998	\$1.5 million general funds
2000	\$2.0 million general funds
2001	\$1.0 million general funds
2003	\$2.0 million general obligation bonds
2005	\$2.0 million general obligation bonds
2006	\$3.0 million general obligation bonds
2008	\$0.5 million general funds
2009	\$3.0 million general obligation bonds
2011	\$3.0 million general obligation bonds

Total state appropriations to date are \$24 million.

Other Considerations

Port Development funds can be used with federal and local dollars to complete projects that benefit a port. An example of this is the rehabilitation of Port Terminal Drive in Duluth. Federal and city funds were used with Port Development funds to complete a total road project that would not have been possible without this partnership.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of \$3.0 million for this request.

Transportation, Department of
Port Development Assistance

Project Detail
(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	12	12,000	12,000	12,000	36,012
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	12	12,000	12,000	12,000	36,012

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	19,000	10,000	10,000	10,000	49,000
General	5,000	0	0	0	5,000
State Funds Subtotal	24,000	10,000	10,000	10,000	54,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	2,000	2,000	2,000	6,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	24,000	12,000	12,000	12,000	60,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	10,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

High Speed Rail Corridor State Match**2012 STATE APPROPRIATION REQUEST:** \$50,000,000**AGENCY PROJECT PRIORITY:** 12 of 12**PROJECT LOCATION:****Project At A Glance**

- M.S. Sec. 174.632 charges the Minnesota Department of Transportation with planning, designing, developing and constructing passenger rail services.
- The adopted 2010 Minnesota Statewide Freight and Passenger Rail Plan further directs MnDOT to lead the development of passenger rail services and to coordinate with Midwest Regional Rail Initiative states in the development of a multi-state passenger rail system in the Upper Midwest.
- This activity provides these products, services and/or functions to implement the elements identified in the State Rail Plan.

Project Description

This request is to provide non-federal matching funds for implementation of passenger rail service along several corridors in the state and connecting Minnesota to the upper Midwest. These corridors include the Northern Lights Express service to Duluth, Twin Cities to Milwaukee High Speed rail service, and development of other corridors identified in the 2010 State Rail plan including the Rochester Zip Line. Improvements in the Twin Cities Metropolitan area to reduce current bottlenecks in the freight rail system add needed capacity to allow for seamless integration of passenger rail service in the freight rail environment. This will also provide a capital resource for potential expansion of the existing conventional intercity passenger rail service to Chicago.

Impact on Agency Operating Budgets (Facilities Notes)

Passenger rail planning and project development activities are funded through general fund appropriations and eligible specific corridor project management activities are funded through General Obligation Bonds as allowed for in Laws 2009, chapter 93, article 1, section 11, subdivision 5, as amended. Additional resources will need to be identified for increasing project management and federal grant management responsibilities.

Previous Appropriations for this Project

The Passenger Rail Office is funded through a biennial general fund appropriation from the legislature. For FY 2009-2010 the biennial appropriation was \$1 million. The legislature appropriated \$26 million in General Obligation Bonds for state match of federal passenger rail program development funds in 2009, Laws Ch. 93, Sect. 11, Subd. 5.

Other Considerations

As of July 1, 2010, over \$16 million of 2009 General Obligation Bond funds have been obligated and it is anticipated that the remaining \$10 million will be obligated by the end of FY 2012. Additional bonding will be necessary to continue to apply for federal high speed rail development funding.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

Transportation, Department of
High Speed Rail Corridor State Match

Project Detail
(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	569	1,200	1,200	1,200	4,169
5. Construction Costs	28,471	54,800	49,800	49,800	182,871
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	29,040	56,000	51,000	51,000	187,040

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	26,000	50,000	50,000	50,000	176,000
State Funds Subtotal	26,000	50,000	50,000	50,000	176,000
Agency Operating Budget Funds	1000	1,000	1,000	1,000	4,000
Federal Funds	2,040	5,000	0	0	7,040
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	29,040	56,000	51,000	51,000	187,040

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	50,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017